

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6395

BILL NUMBER: SB 279

NOTE PREPARED: Dec 23, 2003

BILL AMENDED:

SUBJECT: Recreational Therapy Services.

FIRST AUTHOR: Sen. Simpson

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
X FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the Office of Medicaid Policy and Planning (OMPP) to apply to the United States Department of Health and Human Services to amend the Aged and Disabled Medicaid waiver to include recreational therapy services.

Effective Date: July 1, 2004.

Explanation of State Expenditures: This bill requires OMPP to amend the Aged and Disabled Waiver and, if the amendment is approved, implement the amendment. The ultimate cost of the bill will be dependent upon administrative decisions made with regard to when services may be authorized and the extent of services available.

OMPP reports that recreational therapy services are already available to Aged and Disabled Waiver participants within the adult day care service definition. Adult day care includes the provision of health, social, recreational, and therapeutic activities. The provision of recreational therapy services within adult day care is regarded as the equivalent of services available to participants in the Developmentally Disabled Waiver, the Autism Waiver, and the Supported Services Waiver.

The extent to which this bill may add additional recreational therapy services for Aged and Disabled Waiver participants over those currently available in the adult day care venue is dependent upon administrative decisions, but additional services would increase expenditures in the waiver program. One of the requirements of the waiver process is cost neutrality for the federal government. OMPP must keep the average cost of the Aged and Disabled Waiver below the average cost of institutional care. This can become more difficult when adding additional services within the waiver and potentially expanding the cost of waiver

participants while the state contains the cost of patients in nursing facilities by cutting facility reimbursement.

Background: Waiver applications are generally developed and submitted by the existing staff in the Division of Disability, Aging, and Rehabilitative Services or the Office of Medicaid Policy and Planning. Applications must be developed and adequately justified. If the federal Centers for Medicare and Medicaid have questions or request additional information, staff must be available to respond within specified time lines or the request is considered expired. If the waivers are subsequently approved, the Division or the Office must implement the services and fulfill the waiver reporting requirements including the critical fiscal neutrality reports. The Division and the Office are now operating seven waivers.

Recreational therapy services are defined as services consisting of a medically approved recreational program to restore, remediate, or rehabilitate an individual in order to improve the individual's functioning and independence and reduce or eliminate the effects of an individual's disability. Recreational therapy services are included as available services for the Developmentally Disabled Waiver, the Autism Waiver, and the Supported Services Waiver. Under these waivers, recreational therapy is defined as the provision of a medically approved recreation program which is planned and organized. Activities include adapted sports, social activities, dance and movement, and arts and crafts; activities that are structured for the developmentally disabled individual. State Medicaid rules currently require that recreational therapists be certified by the National Council for Therapeutic Recreation.

Medicaid is a jointly funded state and federal program. Funding for direct services is reimbursed at approximately 62% by the federal government, while the state share is about 38%. Funding for administrative services is shared 50/50.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: The Family and Social Services Administration, Office of Medicaid Policy and Planning, and the Division of Disability, Aging, and Rehabilitative Services.

Local Agencies Affected:

Information Sources: 760 IAC 2-2-3; 460 IAC 6-5-22; Melanie Bella, Assistant Secretary for Medicaid, Office of Medicaid Policy and Planning, Family and Social Services Administration, 317-233-4455.

Fiscal Analyst: Kathy Norris, 317-234-1360.